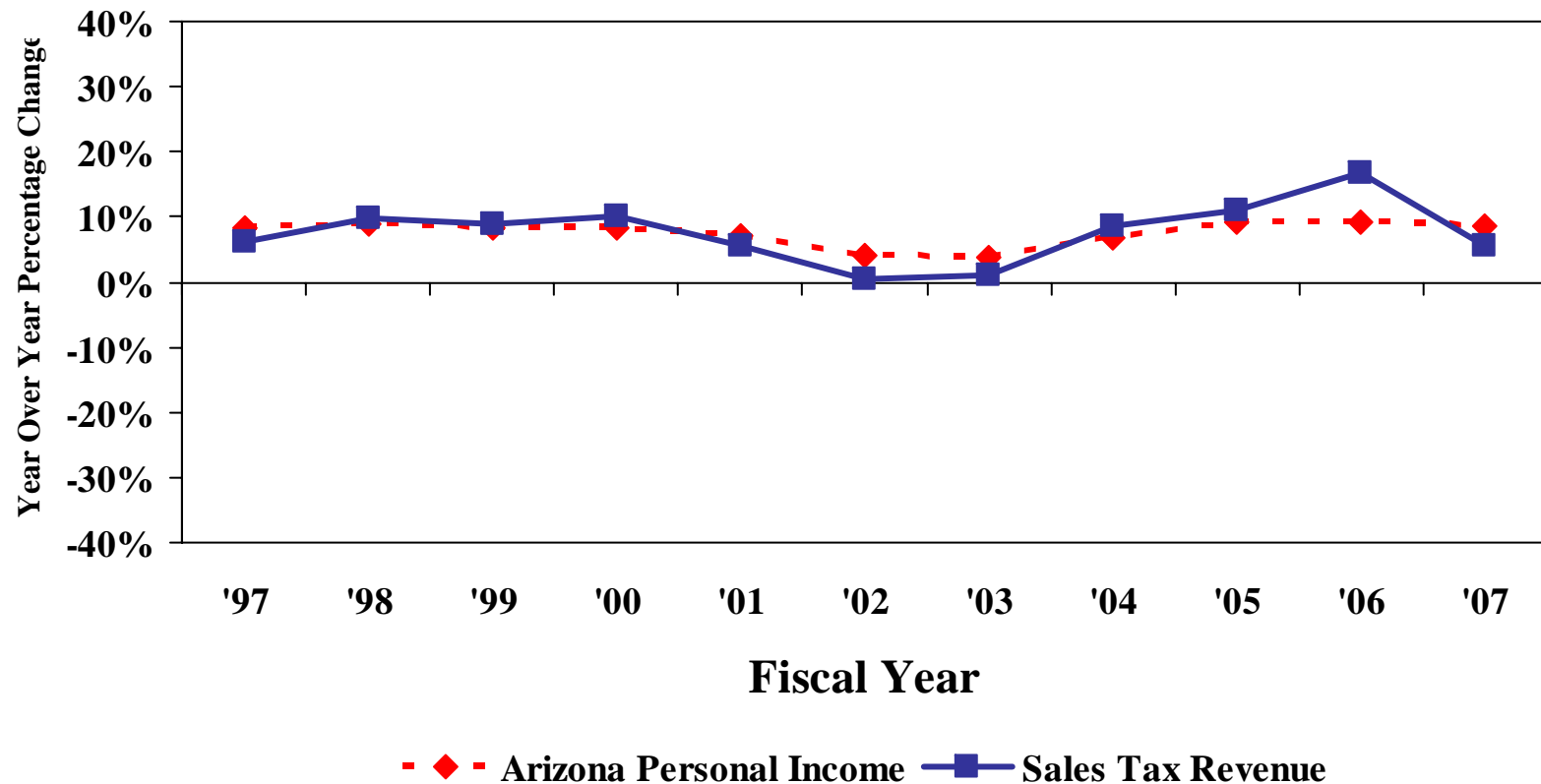
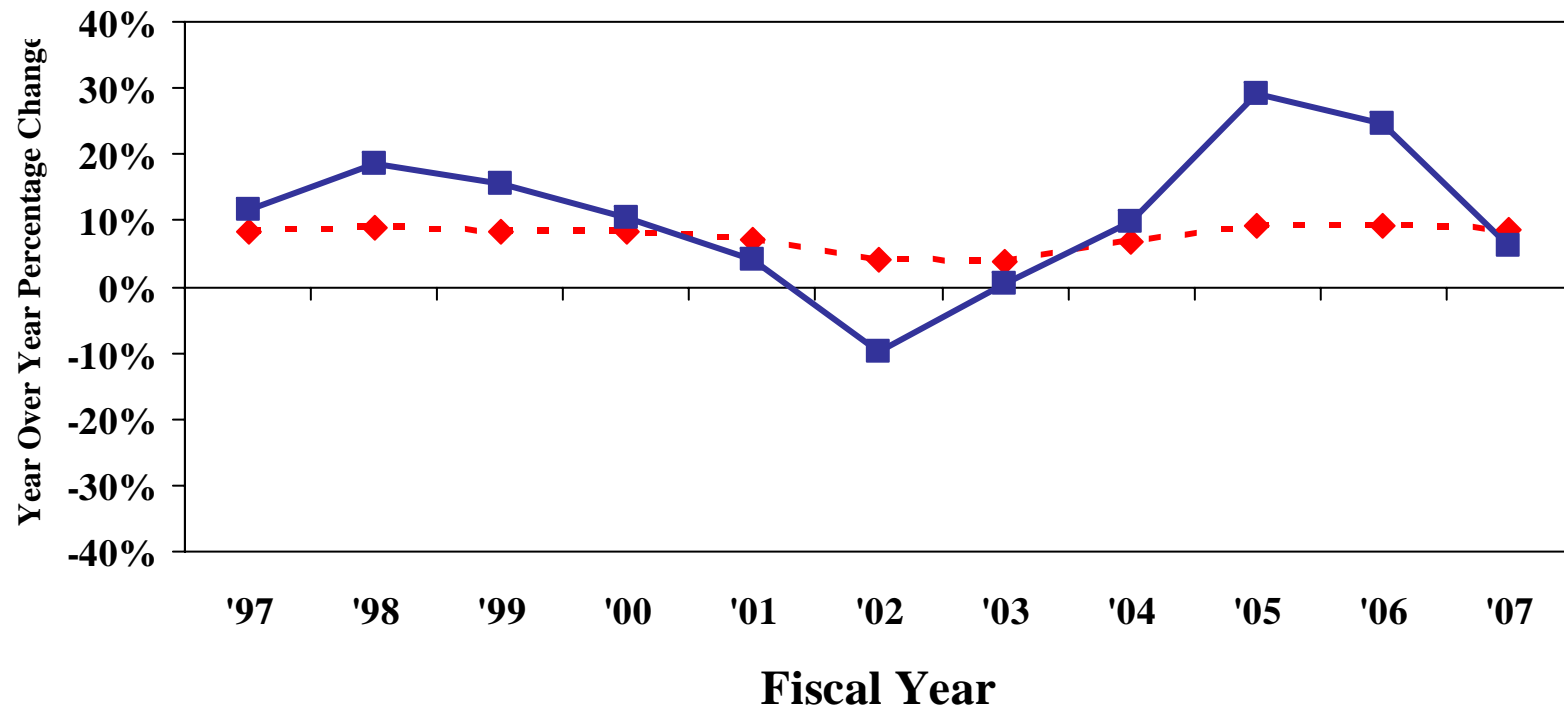


Changes in Base Sales Tax Collections Generally Track Arizona Personal Income



Base % change represents revenue growth prior to tax law and other one-time changes.

Individual Income Tax is More “Elastic” than Sales Tax: Grows More Quickly in Good Times/More Slowly in Bad Times

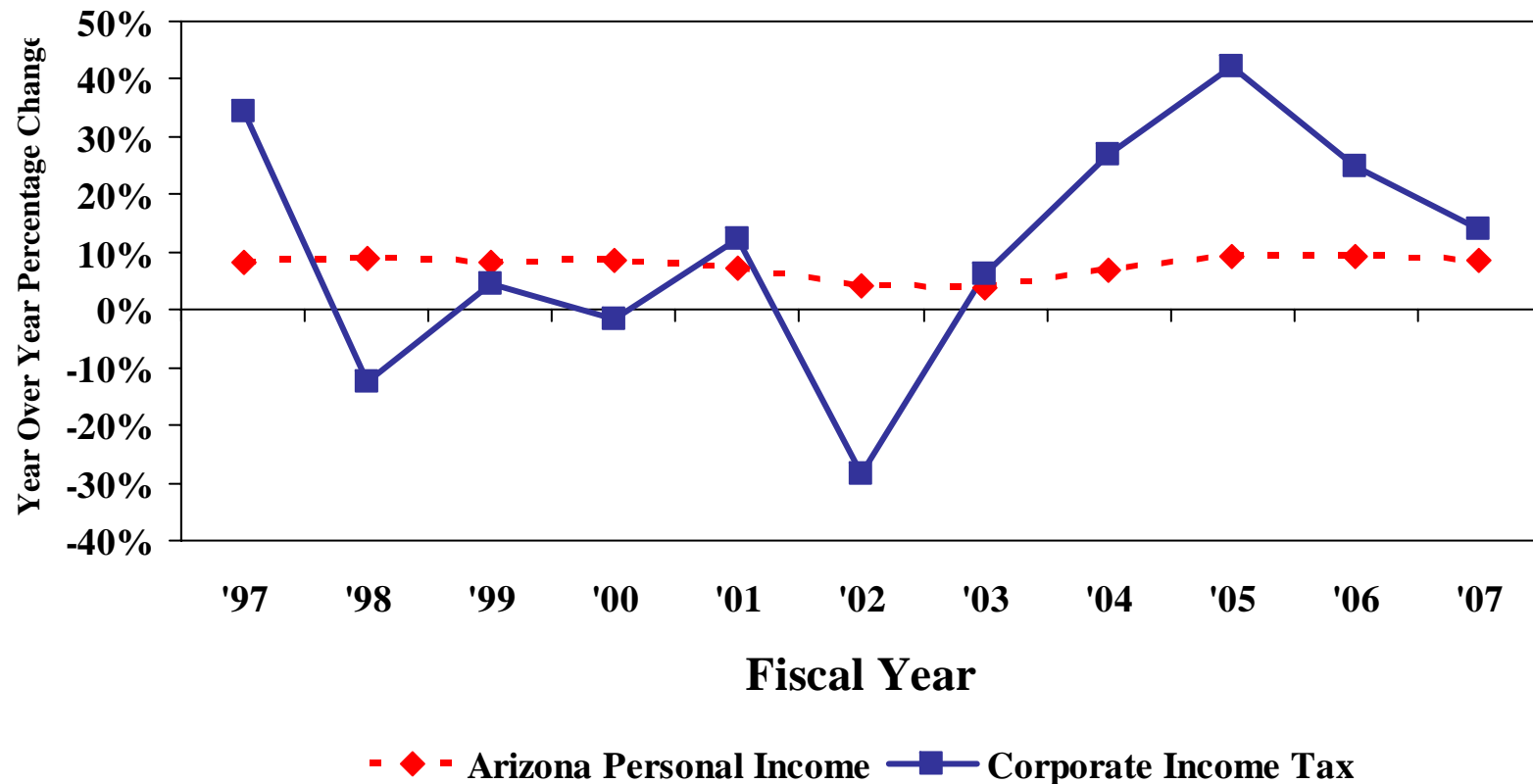


- ♦ - Arizona Personal Income — ■ — Individual Income Tax

Base % change represents revenue growth prior to tax law and other one-time changes.

* FY 2004 percentage increase adjusted for \$76 million under-withholding.

Corporate Income Tax is the Most Volatile of the Three Major Revenue Categories



Base % change represents revenue growth prior to tax law and other one-time changes.